

Secretary of Transportation

December 1, 2005

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WSDOT's FFY 2006 Overall DBE Goal and Methodology Re:

To our colleagues:

We know of the broad and keen interest in the future direction of WSDOT's Disadvantaged Business Enterprise (DBE) program. Today, we have taken an important step for the program by submitting to the Federal Highway Administration (FHWA) our proposed interim DBE goal and methodology for Federal fiscal year 2006.

As you are probably aware, WSDOT's DBE program was hobbled earlier this year by a decision of the Court of Appeals for the 9<sup>th</sup> Circuit, ruling out the manner in which WSDOT had set race/gender-conscious goals on federal construction contracts (Western States Paving). After the court decision, WSDOT suspended the use of such goals pending the redevelopment of the foundation for race/gender conscious goals in ways suggested by the Court's decision.

In the meantime, WSDOT continues its DBE program efforts through race-neutral methods which remain unaffected by the court decision. In partnership with the Office of Minority and Women's Business Enterprises, WSDOT offers a variety of business assistance programs to help firms gain greater access to transportation contracting opportunities. We believe these efforts are important to assisting and supporting DBEs even as we work to restore the program elements suspended after the court decision. We are committed to extending and strengthening these race-neutral efforts while we await FHWA approval of race/gender conscious goals following today's submission.

If approved by FHWA in accordance with today's submission, the overall DBE participation goal for DBE participation in 2006, would be set at 12.70% with the expectation that 3.36% would be accomplished using race/gender-neutral means and 9.34% using race/genderconscious means.

As FHWA considers our proposed goal and methodology, we also continue to gather additional insights into business owners' (both DBE and non-DBE) experiences in Washington State's transportation construction industry, both through public meetings have been scheduled throughout the state in December, and focus groups discussions scheduled for the beginning of February. We hope many of the recipients of this letter will be able to participate.

If you have any questions and/or concerns regarding the DBE program, please feel free to contact Brenda Nnambi, Director, Office of Equal Opportunity, at (360) 705-7090.

Sincerely,

Douglas B. MacDonald Secretary of Transportation

DBM: bn Enclosures